

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 107
SENATE BILL 1422

AN ACT

AMENDING SECTION 15-1626, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 238, SECTION 1 AND CHAPTER 372, SECTION 4; REPEALING SECTION 15-1626, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 130, SECTION 1; RELATING TO THE ARIZONA BOARD OF REGENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-1626, Arizona Revised Statutes, as amended by
3 Laws 2016, chapter 238, section 1 and chapter 372, section 4, is amended
4 to read:

5 15-1626. General administrative powers and duties of board;
6 definition

7 A. The board shall:

8 1. Have and exercise the powers necessary for the effective
9 governance and administration of the institutions under its control. To
10 that end, the board may adopt, and authorize each university to adopt,
11 such regulations, policies, rules or measures as are deemed necessary and
12 may delegate in writing to its committees, to its university presidents,
13 or their designees, or to other entities under its control, ~~any~~ any part of
14 its authority for the administration and governance of such institutions,
15 including those powers enumerated in section 15-1625, subsection B,
16 paragraphs 2 and 4, paragraphs 3, 4, 8, 9, 11 and 12 of this subsection
17 and subsection B of this section. Any delegation of authority may be
18 rescinded by the board at any time in whole or in part.

19 2. Appoint and employ and determine the compensation of presidents
20 with such power and authority and for such purposes in connection with the
21 operation of the institutions as the board deems necessary.

22 3. Appoint and employ and determine the compensation of
23 vice-presidents, deans, professors, instructors, lecturers, fellows and
24 such other officers and employees with such power and authority and for
25 such purposes in connection with the operation of the institutions as the
26 board deems necessary, or delegate its authority pursuant to paragraph 1
27 of this subsection.

28 4. Remove any officer or employee when the interests of education
29 in this state so require in accordance with its personnel rules and
30 policies.

31 5. Fix tuitions and fees to be charged and differentiate the
32 tuitions and fees between institutions and between residents,
33 nonresidents, undergraduate students, graduate students, students from
34 foreign countries and students who have earned credit hours in excess of
35 the credit hour threshold. For the purposes of this paragraph, the
36 undergraduate credit hour threshold is one hundred forty-five hours for
37 students who attend a university under the jurisdiction of the board. The
38 undergraduate credit hour threshold shall be based on the actual full-time
39 equivalent student enrollment counted on the forty-fifth day of every fall
40 and spring semester, divided by two, and any budget adjustment based on
41 student enrollment shall occur in the fiscal year following the actual
42 full-time equivalent student enrollment count. The undergraduate credit
43 hour threshold shall not apply to degree programs that require credit
44 hours above the credit hour threshold, credits earned in the pursuit of up
45 to two baccalaureate degrees, credits earned in the pursuit of up to two

1 state regulated licensures or certificates, credits earned in the pursuit
 2 of teaching certification, credits transferred from a private institution
 3 of higher education, credits transferred from an institution of higher
 4 education in another state, credits earned at another institution of
 5 higher education but that are not accepted as transfer credits at the
 6 university where the student is currently enrolled and credits earned by
 7 students who enroll at a university under the jurisdiction of the board
 8 more than twenty-four months after the end of that student's previous
 9 enrollment at a public institution of higher education in this state. On
 10 or before October 15 of each year, the board shall report to the joint
 11 legislative budget committee the number of in-state students and
 12 out-of-state students who were enrolled at universities under the
 13 jurisdiction of the board during the previous fiscal year AND who met or
 14 exceeded the undergraduate credit hour threshold prescribed in this
 15 paragraph. The amount of tuition, ~~registration AND fees and other~~
 16 ~~revenues~~ included in the operating budget for the university adopted by
 17 the board as prescribed in paragraph 13 of this subsection shall be
 18 SUBJECT TO LEGISLATIVE APPROPRIATION AND deposited, ~~pursuant to sections~~
 19 ~~35-146 and 35-147~~ IN A SEPARATE TUITION AND FEES SUBACCOUNT FOR EACH
 20 UNIVERSITY. All other tuition and fee revenue shall be retained by each
 21 university for expenditure as approved by the board, ~~except that IN A~~
 22 ~~SEPARATE LOCAL TUITION AND FEES SUBACCOUNT FOR EACH UNIVERSITY. THIS~~
 23 ~~SUBACCOUNT SHALL CONSIST OF ONLY TUITION AND FEES.~~ The universities shall
 24 not use any tuition or fee revenue to fund or support an alumni
 25 association.

26 6. ~~Except as provided in subsection I of this section,~~ Adopt rules
 27 to govern its tuition and ACADEMIC fee setting process that provide for
 28 the following:

29 (a) At least one public hearing at each university as an
 30 opportunity for students and members of the public to comment on any
 31 proposed increase in tuition or fees.

32 (b) Publication of the notice of public hearing at least ten days
 33 before the hearing in a newspaper of general circulation in Maricopa
 34 county, Coconino county and Pima county. The notice shall include the
 35 date, time and location of the public hearing.

36 (c) Public disclosure by each university of any proposed increases
 37 in tuition or fees at least ten days before the public hearing.

38 (d) A ROLL CALL VOTE OF ANY final board action on changes in
 39 tuition, ~~or INCLUDING TUITION RATE CHANGES FOR ONLINE PROGRAMS, OR~~
 40 ~~ACADEMIC fees shall be taken by roll call vote.~~

41 ~~The procedural requirements of subdivisions (a), (b), (c) and (d) of this~~
 42 ~~paragraph apply only to those changes in tuition or fees that require~~
 43 ~~board approval.~~

44 (e) PUBLIC DISCLOSURE BY THE BOARD AND EACH UNIVERSITY OF ANY FINAL
 45 BOARD ACTION ON CHANGES IN TUITION OR ACADEMIC FEES.

1 7. Pursuant to section 35-115, submit a budget request for each
2 institution under its jurisdiction that includes the estimated tuition and
3 fee revenue available to support the programs of the institution as
4 described in the budget request. The estimated available tuition and fee
5 revenue shall be based on the tuition and registration fee rates in effect
6 at the time the budget request is submitted with adjustments for projected
7 changes in enrollment as provided by the board.

8 8. Establish ~~curriculums~~ CURRICULA and designate courses at the
9 several institutions that in its judgment will best serve the interests of
10 this state.

11 9. Award such degrees and diplomas on the completion of such
12 courses and curriculum requirements as it deems appropriate.

13 10. Prescribe qualifications for admission of all students to the
14 universities. The board shall establish policies for guaranteed admission
15 that ~~assure~~ ENSURE fair and equitable access to students in this state
16 from public, private and charter schools and homeschools. For the purpose
17 of determining the qualifications of honorably discharged veterans,
18 veterans are those persons who served in the armed forces for a minimum of
19 two years and who were previously enrolled at a university or community
20 college in this state. No prior failing grades received by the veteran at
21 the university or community college in this state may be considered.

22 11. Adopt any energy conservation standards ~~promulgated~~ ADOPTED by
23 the department of administration for the construction of new buildings.

24 12. Employ for such time and purposes as the board requires
25 attorneys whose compensation shall be fixed and paid by the board.
26 Litigation to which the board is a party and for which self-insurance is
27 not provided may be compromised or settled at the direction of the board.

28 13. Adopt annually an operating budget for each university equal to
29 the sum of appropriated general fund monies and the amount of
30 tuition, ~~registration~~ AND fees ~~and other revenues~~ approved by the board
31 and allocated to each university operating budget.

32 14. In consultation with the state board of education and other
33 education groups, develop and implement a program to award honors
34 endorsements to be affixed to the high school diplomas of qualifying high
35 school pupils and to be included in the transcripts of pupils who are
36 awarded endorsements. The board shall develop application procedures and
37 testing criteria and adopt testing instruments and procedures to
38 administer the program. In order to receive an honors endorsement, a
39 pupil must demonstrate an extraordinary level of knowledge, skill and
40 competency as measured by the testing instruments adopted by the board in
41 mathematics, English, science and social studies. Additional subjects may
42 be added at the determination of the board. The program is voluntary for
43 pupils.

44 15. Require the publisher of each literary and nonliterary textbook
45 used in the universities of this state to furnish TO THE ARIZONA BOARD OF

1 REGENTS computer software in a standardized format when software becomes
2 available for nonliterary textbooks ~~to the Arizona board of regents~~ from
3 which braille versions of the textbooks may be produced.

4 16. Require universities that provide a degree in education to
5 require courses that are necessary to obtain a provisional structured
6 English immersion endorsement as prescribed by the state board of
7 education.

8 17. Acquire United States flags for each classroom that are
9 manufactured in the United States and that are at least two feet by three
10 feet and hardware to appropriately display the United States flags,
11 acquire a legible copy of the Constitution of the United States and the
12 Bill of Rights, display the flags in each classroom in accordance with
13 title 4 of the United States Code and display a legible copy of the
14 Constitution of the United States and the Bill of Rights adjacent to the
15 flag.

16 18. To facilitate the transfer of military personnel and their
17 dependents to and from the public schools of this state, pursue, in
18 cooperation with the state board of education, reciprocity agreements with
19 other states concerning the transfer credits for military personnel and
20 their dependents. A reciprocity agreement entered into pursuant to this
21 paragraph shall:

22 (a) Address procedures for each of the following:

23 (i) The transfer of student records.

24 (ii) Awarding credit for completed ~~course work~~ COURSEWORK.

25 (iii) Permitting a student to satisfy the graduation requirements
26 prescribed in section 15-701.01 through the successful performance on
27 comparable exit-level assessment instruments administered in another
28 state.

29 (b) Include appropriate criteria developed by the state board of
30 education and the Arizona board of regents.

31 19. Require a university to publicly post notices of all of its
32 employment openings, including the title and description, instructions for
33 applying and relevant contact information.

34 20. In consultation with the community college districts in this
35 state, develop and implement common equivalencies for specific levels of
36 achievement on advanced placement examinations and international
37 baccalaureate examinations in order to award commensurate postsecondary
38 academic credits at community colleges and public universities in this
39 state.

40 21. On or before August 1 of each year, report to the joint
41 legislative budget committee the graduation rate by university campus
42 during the previous fiscal year. The board shall also report the
43 retention rate by university campus and by class, as determined by date of
44 entry during the previous fiscal year.

1 B. The board shall adopt personnel policies for all employees of
2 the board and the universities.

3 C. In conjunction with the auditor general, the board shall develop
4 a uniform accounting and reporting system, which shall be reviewed by the
5 joint legislative budget committee before final adoption by the board.
6 The board shall require each university to comply with the uniform
7 accounting and reporting system.

8 D. The board may employ legal assistance in procuring loans for the
9 institutions from the United States government. Fees or compensation paid
10 for such legal assistance shall not be a claim on the general fund of this
11 state but shall be paid from funds of the institutions.

12 E. The board shall approve or disapprove any contract or agreement
13 entered into by the university of Arizona hospital with the Arizona
14 industrial development authority.

15 F. The board may adopt policies that authorize the institutions
16 under its jurisdiction to enter into employment contracts with nontenured
17 employees for periods of more than one year but not more than five years.
18 The policies shall prescribe limitations on the authority of the
19 institutions to enter into employment contracts for periods of more than
20 one year but not more than five years, including the requirement that the
21 board approve the contracts.

22 G. The board may adopt a plan or plans for employee benefits that
23 allow for participation in a cafeteria plan that meets the requirements of
24 the United States internal revenue code of 1986.

25 H. The board may establish a program for the exchange of students
26 between the universities under the jurisdiction of the board and colleges
27 and universities located in the state of Sonora, Mexico. Notwithstanding
28 subsection A, paragraph 5 of this section, the program may provide for
29 in-state tuition at the universities under the jurisdiction of the board
30 for fifty Sonoran students in exchange for similar tuition provisions for
31 up to fifty Arizona students enrolled or seeking enrollment in Sonoran
32 colleges or universities. The board may direct the universities to work
33 in conjunction with the Arizona-Mexico commission to coordinate
34 recruitment and admissions activities.

35 ~~I. Subsection A, paragraph 6, subdivisions (a), (b), (c) and (d) of~~
36 ~~this section do not apply to fee increases that are set by individual~~
37 ~~universities and that do not require approval by the Arizona board of~~
38 ~~regents before the fee increase becomes effective.~~

39 ~~I.~~ I. The Arizona board of regents, in collaboration with the
40 universities under its jurisdiction, shall adopt a performance funding
41 model. The performance funding model shall use performance metrics that
42 include the increase in degrees awarded, the increase in completed student
43 credit hours and the increase in externally generated research and public
44 service funding. The funding formula may give added weight to degrees
45 related to science, technology, engineering and mathematics and other

1 high-value degrees that are in short supply or that are essential to this
2 state's long-term economic development strategy.

3 ~~K.~~ J. The Arizona board of regents shall use the performance
4 funding model adopted pursuant to subsection ~~J~~ I of this section in
5 developing and submitting budget requests for the universities under its
6 jurisdiction.

7 ~~L.~~ K. On or before November 1 of each year, the Arizona board of
8 regents shall submit to the joint legislative budget committee and the
9 governor's office of strategic planning and budgeting a report on
10 university debt and obligations, including:

- 11 1. Long-term notes and obligations.
- 12 2. Certificates of participation and other obligations pursuant to
- 13 any lease-purchase agreements.
- 14 3. Revenue bonds.
- 15 4. Bonds issued pursuant to section 15-1682.03.
- 16 5. Commercial paper issued pursuant to section 15-1696.

17 ~~M.~~ L. The report issued pursuant to subsection ~~L~~ K of this
18 section shall contain, for the most recent fiscal year:

- 19 1. The aggregate level of outstanding principal and the principal
- 20 and interest payments, by type of debt or obligation.
- 21 2. An itemization, by campus and project, of the amount of yearly
- 22 principal and interest to be paid in the most recent and the next five
- 23 fiscal years.

24 ~~N.~~ M. The board may enter into an intergovernmental agreement
25 pursuant to section 15-1747 to manage universities under its jurisdiction
26 subject to the terms of the reciprocity agreement.

27 ~~O.~~ N. For the purposes of this section, "university debt and
28 obligations" means debt and obligations, the principal and interest of
29 which are paid in whole or in part with university monies.

30 Sec. 2. Repeal

31 Section 15-1626, Arizona Revised Statutes, as amended by Laws 2016,
32 chapter 130, section 1, is repealed.

APPROVED BY THE GOVERNOR MARCH 29, 2018.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 29, 2018.